



Legislation Text

File #: Res 1113-2016, Version: *

**THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 1113**

Resolution approving a real property tax exemption for property located at Block 2504, Lot 21; Block 2507, Lot 34; Block 2511, Lot 74; Block 2647, Lot 5; and Block 2684, Lot 68; Community Districts 1, 2 and 4, Borough of the Bronx (Preconsidered L.U. No. 396; 20165635 HAX).

By Council Members Greenfield and Dickens

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council on May 26, 2016 its request dated May 25, 2016 that the Council approve a real property tax exemption pursuant to Section 577 of the Private Housing Finance Law (the "New Exemption") and terminate the prior tax exemption for property located at Block 2504, Lot 21; Block 2507, Lot 34; Block 2511, Lot 74; Block 2647, Lot 5; and Block 2684, Lot 68; Community Districts 1, 2 and 4, Borough of the Bronx (the "Exemption Area"):

WHEREAS, the original project was approved by the Board of Estimate on April 29, 1982 (Cal. No. 94), pursuant to Article V of the Private Housing Finance Law, Section 125, (the "Prior Exemption");

WHEREAS, HPD submitted to the Council on May 26, 2016 its request dated May 25, 2016 relating to the tax exemption for the Exemption Area;

WHEREAS, upon due notice, the Council held a public hearing on the New Exemption on June 2, 2016;

WHEREAS, the Council has considered the land use and financial implications and other policy issues relating to the New Exemption;

RESOLVED:

The Council approves the New Exemption pursuant to Section 577 of the Private Housing Finance Law as follows:

- a. For the purposes hereof, the following terms shall have the following meanings:
 - (1) "Article V Exemption Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 2504, Lot 21, Block 2507, Lot 34 and Block 2511, Lot 74 on the Tax Map of the City of New York.
 - (2) "Effective Date" shall mean the later of (i) the date of conveyance of the Exemption Area to the HDFC, or (ii) the date that HPD and the New Owner enter into the HPD Regulatory Agreement.
 - (3) "Exemption Area" shall mean the real property located in the Borough of the Bronx, City and State of New York, identified as Block 2504, Lot 21; Block 2507, Lot 34; Block 2511, Lot 74; Block 2647, Lot 5; and Block 2684, Lot 68 on the Tax Map of the City of New York.
 - (4) "Expiration Date" shall mean the earlier to occur of (i) a date which is forty (40) years from the Effective Date, (ii) the date of

the expiration or termination of the HPD Regulatory Agreement, or (iii) the date upon which the Exemption Area ceases to be owned by either a housing development fund company or an entity wholly controlled by a housing development fund company.

- (5) "HDFC" shall mean Bronx Brooklyn Housing Development Fund Corporation.
- (6) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.
- (7) "HPD Regulatory Agreement" shall mean the regulatory agreement between HPD and the New Owner establishing certain controls upon the operation of the Exemption Area during the term of the New Exemption.
- (8) "New Exemption" shall mean the exemption from real property taxation provided hereunder with respect to the Exemption Area.
- (9) "New Owner" shall mean, collectively, the HDFC and the Partnership.
- (10) "Partnership" shall mean Bronx Brooklyn Preservation, L.P.
- (11) "PHFL" shall mean the Private Housing Finance Law.
- (12) "Prior Exemption" shall mean the exemption of the Article V Exemption Area from real property taxation pursuant to Section 125 of the PHFL approved by Board of Estimate on April 29, 1982 (Cal. No. 94)
- (13) "Shelter Rent" shall mean the total rents received from the residential occupants of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements, and rental assistance), less the cost of providing to such occupants electricity, gas, heat and other utilities.
- (14) "Shelter Rent Tax" shall mean an amount equal to ten percent (10%) of Shelter Rent.

b. The Prior Exemption shall terminate on the Effective Date.

c. All of the value of the property in the Exemption Area, including both the land and any improvements (excluding those portions, if any, devoted to business or commercial use), shall be exempt from real property taxation, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon the Expiration Date.

d. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the New Owner shall make real property tax payments in the sum of the Shelter Rent Tax. Notwithstanding the foregoing, the total annual real property tax payment by the New Owner shall not at any time exceed the amount of real property taxes that would otherwise be due in the absence of any form of exemption from or abatement of real property taxation provided by any existing or future local, state, or federal law, rule or regulation.

e. Notwithstanding any provision hereof to the contrary:

- (1) The New Exemption shall terminate if HPD determines at any time that (i) the Exemption Area is not being operated in accordance with the requirements of Article XI of the Private Housing Finance Law, (ii) the Exemption Area is not being operated in accordance with the requirements of the HPD Regulatory Agreement, (iii) the Exemption Area is not being operated in accordance with the requirements of any other agreement with, or for the benefit of, the City of New York, (iv) the Exemption Area is conveyed to a

new owner without the prior written approval of HPD, or (v) the construction or demolition of any private or multiple dwelling on the Exemption Area has commenced without the prior written consent of HPD. HPD shall deliver written notice of any such determination to the New Owner and all mortgagees of record, which notice shall provide for an opportunity to cure of not less than sixty (60) days. If the noncompliance specified in such notice is not cured within the time period specified therein, the New Exemption shall prospectively terminate.

(2) The New Exemption shall apply to all land in the Exemption Area, but shall only apply to buildings on the Exemption Area that exist on the Effective Date.

(3) Nothing herein shall entitle the HDFC to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.

f. In consideration of the New Exemption, the owner of the Exemption Area shall, for so long as the New Exemption shall remain in effect, waive the benefits of any additional or concurrent exemption from or abatement of real property taxation which may be authorized under any existing or future local, state or federal law, rule or regulation.

Adopted.

Office of the City Clerk, }
The City of New York, } ss.:

I hereby certify that the foregoing is a true copy of a Resolution passed by The Council of The City of New York on June 8, 2016, on file in this office.

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City Clerk, Clerk of The Council